

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 SAJ-01 AID-20 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12

SP-03 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-07 SS-20

STR-08 CEA-02 FEA-02 AEC-11 DODE-00 FPC-01 H-03

INT-08 L-03 PM-07 SAM-01 SCI-06 PRS-01 PA-04 USIA-15

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FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 9924

INFO AMCONGEN ZAGREB

LIMITED OFFICIAL USE BELGRADE 3362

E.O. 11652: N/A

TAGS: ENRG, BFOL, YO

SUBJ: FEDERAL CHAMBER PRESIDENT DISCUSSES US-YUGOSLAV JOINT
VENTURE PROBLEMS AND OPPORTUNITIES

1. SUMMARY: NEW YUGOSLAV ECONOMIC CHAMBER PRESIDENT HAS REITERATED
TO AMBASSADOR TRONG YUGOSLAV INTEREST IN EXPANDING JOINT VENTURE
ARRANGEMENTS WITH US, BUT EXPRESSED CONCERN ABOUT NUMBER
OF APPLICATIONS LONG PENDING IN OPIC, AND ABOUT INTERRUPTION IN
NEGOTIATION ON JOINT ADRIATIC OIL EXPLORATION. END SUMMARY.

2. AMBASSADOR CALLED ON NEW YUGOSLAV ECONOMIC CHAMBER PRESIDENT
ILIJA VAKIC TO CONGRATULATE HIM ON APPOINTMENT AND EXPRESS
SATISFACTION ABOUT OPENING JULY 11 OF YUGOSLAV CHAMBER FOR
PROMOTION OF ECONOMIC COOPERATION WITH US.

3. VAKIC AND CHAMBER SECRETARY FILIP MARJANOVIC PAID TRIBUTE
TO US GOVERNMENT AND BUSINESS EFFORTS TO EXPAND TRADE AND
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INVESTMENT BETWEEN

TWO COUNTRIES, REITERATED STRONG YUGOSLAV INTEREST IN FURTHER EXPANSION,BUT SOON TURNED TO WHAT THEY CALLED "LACK OF SUFFICIENT PROGRESS" ON JOINT VENTURES.

4. MARJANCOVIC CLAIMED THAT 22 APPLICATIONS BY US FIRMS FOR INSURANCE COVERAGE ON INVESTMENTS IN YUGOSLAVIA ARE NOW PENDING IN OPIC, AND THAT THERE HAVE BEEN LENGTHY DELAYS IN OPIC ACTION IN MANY OF THESE.

5. HE ALSO EXPRESSED DISAPPOINTMENT THAT NEGOTIATIONS BETWEEN MAJOR US OIL COMPANIES AND INA ZAGREB FOR JOINT OFFSHORE EXPLORATION IN ADRIATIC HAVE, HE SAID, COME TO COMPLETE STANDSTILL. IN RESPONSE TO OUR INQUIRY ABOUT STATUS OF UNRESOLVED LEGAL QUESTIONS WHICH CAUSED INTERRUPTION IN NEGOTIATIONS (SEE ZAGREB 92, BELGRADE A-41, STATE 18509), MARIANOVIC CLAIMED THAT INA "WOULD SOON HAVE FLEXIBILITY" TO CONCLUDE ARRANGEMENTS SATISFACTORY TO FOREIGN PARTNERS.

6. MARINOVIC ADDED THAT GOY STILL "WORKING ON" IMPROVEMENTS TO JOINT VENTURE LAW, DESIGNED TO PROVIDE FOREIGN INVESTORS "MORE GUARANTEES" AND BETTER CONDITIONS FOR REPATRIATION OF EARNING.

7. VAKIC REITERATED PREVIOUS CHAMBER PROMISE TO SUPPLY LISTING OF INDIVIDUAL INVESTMENT OPPORTUNITIES, COMMENTING THAT IT WOULD INCLUDE "PARTICULARLY ATTRACTIVE" POSSIBLIITY FOR JOINT PRODUCTION OF CHEMICAL FERTILIZERS AT HIP PANCEVO.

8. AMBASSADOR RESPONDED THAT WE WOULD LOOK INTO ALL QUESTIONS RAISED BY VAKIC AND MARIANOVIC, AND EXPRESSED CONFIDENCE THAT NEW US-YUGOSLAV CHAMBERS OF COMMERCE IN BELGRADE AND NEW YORK WOULD PLAY VERY HELPFUL ROLE IN PROMOTION OF INVESTMENTS.

9. ACTION REQUESTED: (A) LATEST AVAILABLE OPIC STATISTICS (MAY 1974) SHOW 17 PENDING APPLICATIONS FOR INSURANCE COVERAGE. INCLUDING SOME PROJECTS SIGNED OVER ONE YEAR AGO. WE WOULD APPRECIATE STATUS REPORT, WITH INDICATION WHEN OPIC ARRANGEMENTS WILL BE CONCLUDED AND WHETHER THERE IS ANY INFORMATION OR ASSISTANCE EMBASSY COULD SUPPLY TO SPEED FINALIZATION. (B) PLEASE NOTIFY MOBIL, TEXACO AND OTHER US OIL COMPANIES LIMITED OFFICIAL USE

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WHICH COMMERCE MAY KNOW TO BE INVOLVED IN DISCUSSIONS WITH INA CONCERNING INTEREST HERE IN RESUMPTION OF TALKS.
TOON

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